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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/751,391	01/02/2001	Kee-hwan Lee	Q62029	7508

7590 10/20/2005

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EXAMINER
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HAQ, NAEEM U

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 10/20/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/751,391

Applicant(s)

LEE ET AL.

Examiner

Naeem Haq

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 06 June 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 and 22-42 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 and 22-42 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Response to Amendment***

This action is in response to the Applicants' amendment filed June 6, 2005.

Claims 1-20 and 22-42 are pending and will be considered for examination. The amendments to the claims are sufficient to overcome the rejection of these claims under 35 USC 112, second paragraph. This rejection is hereby withdrawn.

### ***Final Rejection***

#### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1, 4, 10, 18, 28, 39, and 40 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Claims 1, 4, 10, 18, 28, 39, and 40 recite the limitation "...wherein, in exchange for trading points for a first type of goods or services, the first customer receives either a monetary equivalent or trading points for a second type of goods or services from the at least one other customer."

This limitation lacks proper written description requirement support because neither the claims nor the specification disclose an embodiment where a first and second customer deal directly with one another. The Applicants' specification discloses that all transactions are conducted through a transaction processor. For example, claim 1 recites that the exchange occurs "...through a transaction processor" (see preamble). This transaction processor buys trading points from one user and sells the points to another user while collecting a commission from the spread between the exchange rates. The Applicants have now amended the claims to recite that the first and second customers deal directly with one another. For this reason, this limitation lacks proper written description support.

***Claim Rejections - 35 USC § 103***

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

**Claims 1-5, 8-13, 16, 17, and 28-42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Postrel (US 6,594,640 B1) in view of Millard et al. (US 2002/0007335 A1).**

Referring to claims 1-5, 8-13, 16, 17, and 28-42, Postrel teaches a method and apparatus for exchanging trading points through a transaction processor connected to a telecommunications network comprising:

- receiving a request at the transaction processor to trade trading points awarded to a first customer from a member shop (column 6, lines 13-52);

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- carrying out a transaction at the transaction processor corresponding to the request to trade trading points with at least one other customer (column 1, lines 22-26, column 5, lines 61-67);
- wherein the trading points are airline mileage points (column 1, lines 14-26; column 6, lines 38-40);
- calculating a balance of the customer's remaining trading points after the customer uses the trading points to purchase a good or service (column 7, lines 31-33);
- collecting information regarding a customer's trading points portfolio from member shops through the network and storing the information in a customer database connected to the network (column 6, lines 30-33; Figure 4);
- changing the customer's trading points into a cash equivalent and processing the customer's trading points according to the resulting cash equivalent (column 6, lines 38-52);
- a customer and transaction database for storing information on the points trade request sent from the customer and a result of processing transactions (Figure 5, Item "54");
- a shopping mall management unit for processing cyber shopping, and providing trading points in proportion to a good purchased and a service for buying goods with the trading points (column 1, line 14 - column 3, line 55, Figure 1 ).

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Postrel does not explicitly teach that the transaction processor purchases the trading points from a first customer at a first exchange rate and sells the trading points to one other customer at a second exchange rate. However, Postrel teaches that his invention allows users to purchase points traded in by other users (column 1, lines 22-26).

Moreover, Postrel teaches that his invention allows issuers of points to repurchase points at a "substantial discount" using a trading strategy (column 5, lines 61-67; column 9, lines 52-54). Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to have the invention of Postrel purchase the points from one user at a first exchange rate and sell the points to a second user at a second exchange rate. One of ordinary skill in the art would have been motivated to do so in order to allow the issuers of the points to reduce their liability as taught by Postrel.

Postrel does not teach calculating the difference between the first and second exchange rates as a transaction commission. However, Millard teaches a system and method for exchanging securities wherein revenue (i.e. commission) is based on the difference between bid and ask prices (i.e. first and second exchange rates) (paragraph [0058]).

Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to incorporate the teaching of Millard into the invention of Postrel.

One of ordinary skill in the art would have been motivated to do so in order to allow the system operator of the trading server in Postrel to generate revenue from the trade as taught by Millard.

**Claims 6, 7, 14, 15, 18-20, and 22-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Postrel (US 6,594,640 B1) in view of Millard et al. (US 2002/0007335 A1).**

Referring to claims 6, 7, 14, 15, and 18-27, Postrel teaches a method and apparatus for exchanging trading points through a transaction processor connected to a telecommunications network comprising:

- receiving a request at the transaction processor to trade trading points awarded to a first customer from a member shop (column 6, lines 13-52);
- carrying out a transaction at the transaction processor corresponding to the request to trade trading points with at least one other customer (column 1, lines 22-26, column 5, lines 61-67);
- wherein the trading points are airline mileage points (column 1, lines 14-26; column 6, lines 38-40);
- calculating a balance of the customer's remaining trading points after the customer uses the trading points to purchase a good or service (column 7, lines 31-33);
- collecting information regarding a customer's trading points portfolio from member shops through the network and storing the information in a customer database connected to the network (column 6, lines 30-33; Figure 4);

- changing the customer's trading points into a cash equivalent and processing the customer's trading points according to the resulting cash equivalent (column 6, lines 38-52).

Postrel does not explicitly teach that the transaction processor purchases the trading points from a first customer at a first exchange rate and sells the trading points to one other customer at a second exchange rate. However, Postrel teaches that his invention allows users to purchase points traded in by other users (column 1, lines 22-26).

Moreover, Postrel teaches that his invention allows issuers of points to repurchase points at a "substantial discount" using a trading strategy (column 5, lines 61-67; column 9, lines 52-54). Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to have the invention of Postrel purchase the points from one user at a first exchange rate and sell the points to a second user at a second exchange rate. One of ordinary skill in the art would have been motivated to do so in order to allow the issuers of the points to reduce their liability as taught by Postrel.

Postrel does not teach calculating the difference between the first and second exchange rates as a transaction commission. However, Millard teaches a system and method for exchanging securities wherein revenue (i.e. commission) is based on the difference between bid and ask prices (i.e. first and second exchange rates) (paragraph [0058]).

Therefore it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to incorporate the teaching of Millard into the invention of Postrel. One of ordinary skill in the art would have been motivated to do so in order to allow the system operator of the trading server in Postrel to generate revenue from the trade as



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taught by Millard. Postrel and Millard do not teach updating a customer database and a transaction database according to a result from the trading points transaction, and sending the result to the corresponding member shop. However, Postrel teaches that a reward server (i.e. member shop) decreases a user's reward points after it receives communication from the trading server (column 6, lines 25-38). Therefore, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to incorporate the step of updating the database and sending the result to the corresponding member shop. One of ordinary skill in the art would have been motivated to do so in order to create a record of the transaction and to notify the member shop of the transaction so that it could update its database. This would serve as a "paper trail" to document the transaction in the event that a dispute occurred at a later time.

### ***Response to Arguments***

Applicants' arguments filed June 6, 2005 have been fully considered but they are not persuasive. The Applicants have argued that the cited prior art does not teach or suggest that the exchange of points between two customers occurs prior to their redemption by other users (see Remarks page 17, lines 7-11). In response to this argument, the Examiner notes that this limitation is not recited in the independent claims. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993). Furthermore, the independent claims recite that the

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“...transaction processor purchases trading points for a first type of goods or services from the first customer...and sells the purchased trading points to the at least one other customer...” Therefore the independent claims recite that the purchase of the points by the at least one other customer occurs after their redemption by the first customer. The first customer sells (i.e. redeems) his or her points to the transaction processor (“...transaction processor purchases trading points for a first type of goods or services from the first customer...”). The transaction processor then sells the points to the other customer (“...and sells the purchased trading points to the at least one other customer...”). For this reason, the Applicants’ argument that the cited references fail to teach or suggest that the exchange of points between two customers occurs prior to their redemption by other users is not persuasive.

The Applicants have also argued that the cited prior art does not teach or suggest an exchange of different types of trading points between customers. (see Remarks page 17, line 15 – page 18, line 9). The Examiner respectfully disagrees. The Postrel reference states “The present invention relates to electronic bartering systems that **allow users to trade** or redeem **reward points**...” (emphasis added) (col. 1, lines 14 and 15).

The Applicants have also argued that there is no motivation to combine the cited references. The Examiner respectfully disagrees. Postrel substantially discloses the claimed invention with the exception of generating revenue from transaction processing. The Examiner cited the Millard reference to supply the missing limitation. Millard, like Postrel, discloses a trading network among a plurality of users. Millard also teaches the

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missing limitation of generating revenue from transaction processing. The Examiner combine the two references and provided a proper motivation. For this reason, the Examiner maintains the art rejection.

### ***Conclusion***

Applicants' amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Naeem Haq whose telephone number is (571)-272-6758. The examiner can normally be reached on M-F 8:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn W. Coggins can be reached on (571)-272-7159. The fax phone

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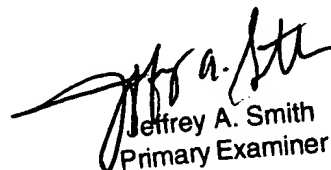
number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



**Naeem Haq**, Patent Examiner  
Art Unit 3625

October 11, 2005



Jeffrey A. Smith  
Primary Examiner